

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE		Page 1	of Pages 20
2. AMENDMENT/MODIFICATION NO. 002		3. EFFECTIVE DATE December 1, 1998		4. REQUISITION/PURCHASE REQ. NO.	
5. PROJECT NO. (If applicable)		6. ISSUED BY Bureau of Reclamation Lower Colorado Region P.O. Box 61470 Boulder City NV 89006-1470		7. ADMINISTERED BY (If other than Item 6) CODE	
CODE		FACILITY CODE		8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and ZIP code)	
				9A. AMENDMENT OF SOLICITATION NO. 98-SP-30-12350	
				9B. DATED (SEE ITEM 11) October 28, 1998	
				10A. MODIFICATION OF CONTRACT/ORDER NO.	
				10B. DATED (SEE ITEM 13)	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☒ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [] is extended, ☒ is not extended.

Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
(a) By completing Items 8 and 15, and returning 1 copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required)

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. **IMPORTANT:** Contractor [] is not [] is required to sign and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)

Project Title: Tour Ticket Sales & Reservations, Hoover Dam, Boulder Canyon Project, Nevada

Purpose of Amendment: The purpose of this amendment is to provide the minutes from the pre-proposal site visit and answers to questions submitted by potential offerors.

Receipt of Offers: The date for receipt of offers remains December 9, 1998. The time for receipt of offers remains 3 p.m., local time. The place for receipt of offers remains the Bureau of Reclamation, Lower Colorado Regional Office, Annex Building, Room AA-104, Nevada Highway and Park Street, Boulder City, Nevada.

Acknowledgment: See block 11 above regarding how to acknowledge this amendment. The acknowledgment must be received at the place designated for receipt of offers (see block 9 of the "Solicitation/Contract/Order for Commercial Items," Standard Form 1449).

Offer Modification: See block 11 above if you have submitted your offer and now desire to modify it or withdraw it.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		BY _____ (Signature of Contracting Officer)	

Description of the Changes:

This amendment contains the following items:

- 1) Clarification of Attachment 1, Performance Requirements Summary,
- 2) Minutes from the pre-proposal site visit,
- 3) Answers to questions submitted by potential offerors and clarifications of the solicitation and Performance Work Statement, and
- 4) The Sign-In sheet from the site visit.

Clarification

The following explanation is intended to clarify how offerors should complete the Performance Requirements Summary tables in solicitation Attachment 1. It is important that offerors complete these tables accurately. (Attachment 3, Quality Assurance Surveillance Plan & Contractor Payment Examples, details how contract performance will be monitored, and how deducts and incentives will be measured and paid, based in part on these tables.)

There are two different tables in Attachment 1: the first table is entitled, "Performance Requirements Summary for First Month of Contract Performance," and the second table is entitled, "Performance Requirements Summary for Second and Subsequent Months of Contract Performance." Each table lists seven Required Services (RS-1 through RS-7) on which the Government will individually monitor and measure contract performance. For each Required Service, offerors must enter a percentage number in the last column of each table. This column is entitled "Maximum Payment Percent for Meeting the PR."

RS-1 through RS-4 relate to the line item in each schedule year entitled "On-Site and Reserved Ticket Sales Operations" (from the Schedule of Services and Prices/Costs). For each table, the sum of the percentage numbers entered by the offeror for RS-1 through RS-4 must total to 100 percent. RS-5 through RS-7 relate to the line item in each schedule year entitled "Financial Management." For each table, the sum of the percentage numbers entered by the offeror for RS-5 through RS-7 must total to 100 percent.

The percent entered by the offeror for each Required Service in each table should be the percent of the total cost for that line item which the offeror estimates will be required to perform that Required Service.

For example only: Assume that under another solicitation, RS-1 through RS-3 pertain to a single schedule line item that the Offeror intends to price at the total amount of \$100,000. Assume that the Offeror estimates that the following amounts will be needed to perform each Required Service (including profit and overhead):

RS-1 \$ 11,500

RS-2 \$ 31,000

RS-3 \$ 57,500

Total \$100,000 for the schedule line item.

Then the percent entered for each Required Service in the Performance Requirement Summary table that pertains to that schedule line item would be:

RS-1	11.5%
RS-2	31.0%
RS-3	<u>57.5%</u>
Total	100.0%

Minutes from Pre-Proposal Site Visit
Held: November 5, 1998 at Hoover Dam Visitors Center Conference Room
Attendees: See Sign-In Sheet

- I. Introductions of the attendees.
- II. Mr. Randy Belew, Bureau of Reclamation Contract Specialist, summarized the following items:
 - A. Cost Comparison Process
 1. This solicitation is part of a Government cost comparison which will determine whether it is more economical for Reclamation to continue operating the tour ticket sales and reservations system itself here at Hoover Dam, or if it is more economical to contract it out to a private company that may be capable of performing this work more efficiently.
 - a. If the result of this cost comparison favors performance under a contract and administrative approval is obtained, the Contracting Officer will award a contract based on the offeror's proposal. After a 30-day public review period, the Contracting Officer will then either notify the Contractor that it may begin performing the contract or will cancel the contract at no cost to the Government.
 - b. If the result of this cost comparison favors Government performance, the Contracting Officer will publicly disclose this result. After a 30-day public review period, the Contracting Officer will either cancel this solicitation or award a contract as appropriate. Since Government employees are currently performing this work, we are being careful about any action that might displace current employees.
 2. A complete outline of this cost comparison process is included starting on page E-3 of the solicitation, in the provision entitled "Notice of Cost Comparison."
 - B. Summary of the Work
 1. The Statement of Work requires that the successful offeror shall implement, manage and operate an integrated on-site and reserved tour ticket sales and reservations system for Hoover Dam. Tour tickets shall be available for sale on-site during the posted hours of Visitor Center operation, which are currently from 9:00 a.m. to 6:00 p.m., seven days a week, excluding only Thanksgiving and Christmas. The scope of work also includes delivering pre-sold tour tickets to commercial carriers and members of the public, providing information to members of the public, and accepting and remitting miscellaneous revenues collected by Government officials, as detailed in the solicitation.

C. Contract Performance Period

1. The base year of the contract will be for one year (365 calendar days) from the date of the Government's Notice to Proceed. The Government's Notice to Proceed will be issued upon completion of the Transition Period defined in Section B, paragraph 3.1(a) of the solicitation. After the base year, the contract may, at the Government's sole discretion, be renewed yearly for up to four option years.

D. Type of Solicitation

1. This solicitation combines a number of features relatively new to Federal contracting:
 - a. It relies on a performance-based statement of work. Instead of a detailed specification telling you how to do what we need done, it invites offerors to prepare proposals that tell us what the best way is to do this work.
 - b. There are attendant incentives and deducts based on the contractor's performance.
 - c. It is a Commercial Items solicitation, falling under Federal Acquisition Regulation (FAR) Part 12.

E. Proposal Submission and Evaluation

1. Proposals, one original and one copy of each proposal, are currently due on December 4, 1998, at either of the addresses shown in block 9 of the "Solicitation/Contract/Order for Commercial Items" form (SF 1449). Upon receipt of proposals, they will be evaluated by a committee comprised of program office personnel at Hoover Dam and contracting office personnel, using the criteria outlined in Section E, Solicitation Provisions, Paragraph 3, "Evaluation." All evaluation factors other than price, when combined, comprise 60% of the evaluation weight. Price will comprise 40% of the total evaluation weight. **NOTE:** You may submit multiple offers, that is, proposals offering different technical approaches that satisfy the work requirements, at different prices, and each offer will be evaluated separately.
2. The two factors, besides Price, by which each proposal will be evaluated, are (1) Technical Approach to the Work, and (2) Company Background, Experience, and Past Performance. The "Evaluation" provision includes definitions of each of these evaluation factors.
3. It is important to note that each offeror's proposal should include a complete Operational Guide as explained in provision instructions subsection 2.2, beginning on solicitation page E-4. The Operational Guide shall consist of a detailed Personnel Plan, Scheduling Plan, Work Plan, Facilities Plan, and Sales Plan, including at least all the information

set forth in those instructions. The information in the Operational Guide submitted with each offer will be the basis for our evaluation of each offeror's Technical Approach to the Work. That's a very important component of the proposals.

4. Because the contract will be a performance-based service contract that will use a system of deducts and incentives payments, we have included Attachment 4 to the solicitation, a section pertaining to the Government's Quality Assurance Surveillance Plan, and Contractor Payment Examples. I would like to emphasize that the Contractor will remain responsible for their own Quality Control program, that is, inspecting their own services provided and adjusting their own processes as necessary. The Government's Quality Assurance plan is intended only to measure the Contractor's performance against the written standards, thereby establishing monthly payment amounts through a system of incentives and deducts against the line items in the Schedule. A key feature of this performance-based service contract is the Performance Requirements Summary tables in Attachment 1. These tables set forth the objective standards by which Contractor performance will be measured. Each proposal must include a completed table. That is, the final column of each table, the column entitled "Maximum Payment Percent for Meeting the PR," must be completed by the offeror. We can explain how to fill out the table, or provide examples if needed.

- III. Attendees toured the following facilities at the Visitors Center: main theater-level entrance, exhibits-only entrance, existing office space, the old ticket booths on top of the dam, the old exhibit building, and the parking garage. Mr. Arnold Sealove of the Bureau of Reclamation Lower Colorado Dams Facilities Office conducted the tour and provided the following information:

[Exhibit Level entry area:]

The exhibits opened a little over a year ago. People pay an admission price to look at the exhibits, go to the observation deck on top, and go to the theater levels down below. A manual ticketing station has been established in the entry area, and people on a short time span and people who park on the Arizona side come in here. Tickets are sold here as long as we have the staff to do it. If we don't have the staff to do it, we direct the people downstairs to the main ticketing area. We have found that about 2/3 of the revenue that we normally generate in the exhibit-only area is generated from the ticket sales station down there. We lose about 1/3 of the revenue when we don't have somebody up here to sell tickets. This is also the area where all of the regular tours and hard hat tours end up. They come out the two elevators on either side, and then take the stairs or elevator downstairs.

[Theater Level entrance:]

Virtually all the people come out of the garage, comprised basically of two groups: Private passenger vehicles and commercial buses. The bulk of the commercial buses have a pre-paid ticketing arrangement, an EFT [electronic funds transfer] system. The local carriers and some of the long haul carriers have established an account with us. With that account they set up a balance, their dispatch office calls and tells us how many people they're bringing in, and we print the tickets in our reservation section down here. The bus comes into the parking garage, they sign for those tickets, and they come down and bypass the line. Commercial buses account for about 15% of the visitors, and about 12% of the revenue. There is a small commercial discount available, so they don't have to worry about how many seniors, juniors, adults are on the bus.

The general public comes in through here, comes down the escalator, and goes to whatever ticket stand is available. We staff according to the time of year. This is the slowest time. We see about 40% in November-December of what we do in July-August. Staffing also is a function of the time of day; typically, between 10:00 a.m. and 3:00 p.m. is the busy period.

There are basically three products, one which has already been mentioned, the exhibit-only tour. A second product is the general admission tour, which is the regular tour that most of the people go through. The last one is a hard hat tour, which is limited to no more than 15 or 16 people. They have to wear a hard hat, and it takes about an hour to an hour and fifteen minutes to go through that. The prices are listed on the board.

People who come for the general admission tour are first-come first-served. During the busy time of the year, there's about 3 or 4 months out of the year (school break and then during the summer) when the carrying capacity of the garage is actually exceeded. When that happens, they may come down here and wait on line for 10-15 minutes, and then they may have to wait an hour or more sometimes before they can actually get on a tour. They have the exhibits and the theater and a snack bar where they can go to kill some time until they're ready to go on a tour. Buses usually create a window of time of about 2 to 2-1/2 hours for their people to be here.

We do make reservations for the general public as well as groups. We charge a reservation fee. Our current fees for reservations for the general public, up to 10 people, is \$1 per person. For 11 or more people, there's a flat fee of \$10. There are also private tours that can be arranged; the prices get a little steep for those. For the most part, that's the process.

Historical research we've seen suggests that about +40% are in rental cars that come out here in private passenger vehicles. We also know that it's a large percentage of first-time visitors.

[Water feature outside theater-level entrance:]

We have several things that generate miscellaneous stuff. One of those is the water feature right here, which is where the coins have to be picked up and cleaned and deposited in the bank. There's also some vending machines, in the ladies restrooms and so forth, that have to be emptied, and the telephones. Our folks once a month collect the money and bring it down to us; that money has to be deposited.

[Accounting office next to nurse's station:]

We do not have a plethora of office space, so we're being as flexible as we can. Office availability at this point is this accounting office right here [on the theater level]. We might be able to work something out in the future, but I believe what we put in the spec is just this room right here. I've [Arnie] been working out of here part-time, sharing it with the nurse and the patients that come in and out, and working upstairs part of the time too.

For those of you peeking around the corner, this is Joan McCracken. She's the financial assistant, and she takes care of all the daily deposits, accounting, reconciliation statements, reviewing of the employees' results each day, making sure everything balances out, coordinating with our regional accounting office.

This area in here would be basically what we designated in the contract as office space. You'll notice as you're in here that you're on video, and there's a card access here. Should they need to leave, there's also a combination lock on this door, and the outside door there is also card access. We use Loomis Fargo to pick up our money ever day. There's no panic button that I'm aware of, but it's pretty secure in here with all the check points.

[Old ticketing booths, on the top of the dam:]

Up to 1995, this is the way everybody would go on tour. In those days, our visitation was around 700- to 750,000 people, that was as many as we could handle. The people during the busy seasons would park over on the Nevada side of the dam at a checkpoint area, and there would be a bus bringing them down. They'd line up here along the dam, sometimes for as much as 45 minutes. There were misters coming out here so that the people coming from Europe and other countries that weren't used to the 130-degree heat wouldn't pass out up here. All the guides carried little plastic bags in their pockets in case they got sick, kind of like you see on airplanes. What they would do is [unlocks door to elevator vestibule] they'd take that elevator right in there. That elevator handles about 23 people. What they would do is they would take 23 people down, come back up, get another 23 people, go back down again, get another 23 people, bring them down. After you had those 3 groups together, then it was time to start your tour, so that had a limit on the amount of service we could do. With the opening of the new Visitors Center, we now have 2 elevators that could theoretically hold 50, we load them with about 40, and they go down simultaneously so

we can take 80 people at a time, running them about 10 minutes apart on a pre-scheduled arrangement.

One other thing I might mention is the ticket booths, there's one here and one down a little bit farther. This is where the tickets were sold. That was pretty much it. They get in line, and stand here until you were called. So things are actually improved quite a bit. By opening up the new Visitors Center, the first year we were just shy of 1 million people, and this past fiscal year that ended in September, we were running about a million one [1.1 million].

[Across the highway on the Lake Mead side of the top of the dam:]

With the high water levels, the Desert Princess [paddlewheel boat], which is run by Lake Mead Cruises, is not parking here, but they do have a landing area by that rock [by the Snacketeria] and they would normally during the busy season make about 3 trips out here a day, unloading people, and they would arrange to have people pre-purchase [tour] tickets. And they would either sell them down on their side or we'd sell them up here, and the people would come up here. Sometimes the buses would come up here, drop them off, put them back on a bus, and take them down to the paddlewheel boat. In other cases, they just come here on the boat, pick up their tickets sold down at the Desert Princess and go. I don't know when the water levels are going to go back down, but that's one of the other features that we have here.

[Old exhibit building by the Snacketeria:]

We still call this the old exhibit area, and in here is a model of the Colorado River. There are negotiations under way right now to turn this into a virtual reality kind of theater type of thing. This is strictly an audio narration where lights would just pop up, quite frankly it was pretty boring. What they're talking about now is a theme, last I heard: a drop of water comes out of the sky, ends up in Lake Mead, goes down into the intake towers of the dam, goes through the generators, comes out and fertilizes a field down below, with the narration and all of that, about a 5-minute program. And there is an outside firm working with us on that. I expect that'll probably be about a year before it's operational.

One of the reasons we're pointing this out is they potentially will sell tickets here themselves, but also at our other ticket locations we'd like to provide the offer of one ticket does everything, so you can either go on tour or you can buy the combination ticket that takes in the whole attraction.

[Outside, sidewalk on Parking Garage side of highway:]

Plans in here were to have a kiosk where tickets can be sold as well. There are Government drawings available if you want them for the kiosk that was originally designed for this space.

[Parking Garage, Level 1, Inside future vendor's space:]

This is going to become a snack shop eventually, a Snacketeria. It's estimated to be completed in about a year. Right now, our concessions down here are operated by the Nevada State of the Blind. They actually have one on the Nevada spillway and one on the Arizona spillway. They're going to move into this facility, and then we either take over the old ones or tear them down, so within a year they'll be operating out of this facility right here.

[In the Parking Garage, bus level:]

We had talked about at one time having some kind of a ticketing site up here. One thing that's important to the bus companies that come in here, or at least the way we operate right now, is they like to have the service of being able to pick their tickets up here, so what we do as we operate this right now, we help with the bus parking and the coordinating in here, but we also have an individual up here that essentially hands out the reservation tickets to the bus companies. Now that's a request from them, because what they kind of say, is "hey, when I park the bus in here and I've got 40 people on here, and you had your will-call or reservation desk strictly downstairs, it's hard for me to keep everybody together; they want to take off, go into the restaurant, restrooms, before I know it my 40 people ended up to be 20 people." So I don't know if we actually outlined it in the spec, but one of the managers that works with me, at least on the marketing side, that works with these buses hopes that somehow in everybody's proposal we can maintain some sort of a presence up here. Either if they can get their ticketing before they come, great. But if not, somehow they need to have a convenient way to pick their tickets up here.

I think that's how the spec was written, just that they have to have their pre-sold tickets either before arrival or, at the latest, once they get to this point. So again, however you want to accomplish that. [Note: See Performance Work Statement paragraph 5.2.1(4) and solicitation provision paragraph 2.2(c)(1) for this requirement.]

One other point that's relatively new: Starting in February, there's a pricing change for the commercial accounts. Up 'til this year, we have not charged a fee for buses entering the facility. That's going to change February 1st, and the fee is going to be basically \$1 per person, whether they go on tour or not.

The parking garage contractor collects that fee, so it won't be part of the ticketing.

Normally, what we're hoping to do with that is the people with consignment accounts, which of course if you're running the ticket operation you'll be selling tickets to them, that you can basically just add that dollar to their consignment accounts. The people that just happen to show up, that Hoover is not the destination and they show up in here, then we do presently or we're getting ready to start up the parking garage operation in here and they'll be responsible for essentially ensuring that the parking fees are taken.

The fee will be a dollar per person or \$50 dollars a bus, so when they call up to make reservations sometimes the bus isn't full, whatever's cheapest for you guys.

[In janitor's closet in parking garage:]

What we've envisioned here, there's an area here if somebody would like to put an automated station in where a person could come up and use a credit card and purchase a ticket. There's a door around the corner here that gives you access to the room. There's a phone in here, there's air conditioning in here, there's power in here. You could potentially install an automated ticketing machine right here. That may be one way that you determine that's how the buses up here get their tickets. We don't know. We're going to leave some of that up to you. We're just throwing out what-if options. But there's a space in here that's available if you decide to implement an automated ticketing machine.

If you have some questions later down the road, that's why we have Vince, our Facility Maintenance Manager, here. If you have some questions about conduit, extra drawings, things like that, he'll be able to provide you with more technical information. But it's a thought. If you decide you'd like to put in an automated station, for distributing ticketing as much as possible before they get down in the ticket line, here's an area where a remote station could be set up. What you want to put in your plan, where you want to put ticketing stations or add ticketing stations that we don't have now, there's a lot of areas where we can run it by management.

Questions and Answers

Q. You're actually looking for staffing, is that correct?

A. Some on-site staffing, yes.

Q. Where is the communications room located?

A. The communications, our main phone closet for this building, is a floor below the theater level. But one thing that we're asking you to do in your plan is to give us a communication plan. The way that the service works right now is going to work a little different for you. It all goes through a government phone switch. The only communication out of here is a fiber optics link between us and Boulder City. What our communication department has done, because we're looking at potentially other contractors coming in here besides ticketing (we have one running the parking garage right now), and when we go up to the parking garage, there's also going to be a vendor up there, like a food and beverage vendor and things like that. So what our Communication Manager has done is demarcated 24 lines between us and the phone company in Boulder City. That's going to be then divided between the 2 to 3 to 4 contractors that are in here. So in your Facilities Plan, you tell us how many phone lines you're going to need, how many modem and fax lines, things like that, and essentially what you'll do then is you'll just be working with the AT&T service in town. If you want 6 lines, then 6 lines will be billed to you monthly based on your bill rate.

[Note: See solicitation provision paragraph 2.2(d)(3).]

What we'd like to see in your proposals is that you've closely reviewed the requirements in the solicitation and then prepared an operational guide that shows us how you would perform the work. On site here you can see how we are currently performing the work, and what our resources are and what space is available. But your proposals should tell us how you would perform the work. We've issued a performance-based work statement that will hopefully allow you to come back with a proposal satisfying the requirements, and using your expertise to show us how you would operate this place in a more efficient manner.

Q. How many staff members do you have now, as far as sellers and such?

A. At present, it's around 9.

Q. How many points of sale do you have right now?

A. Right now, you've got the 4 stations at the theater level, plus the reservation desk, and the mobile one up at the exhibit level. There has been talk about locating them in other areas. If you have a different approach as to how you'd like to do it, that's fine.

Q. So currently, you use about 6, right?

A. Yes. And it is a 7-day-a-week operation.

Q. Are you looking for a marketing plan as well?

A. Yes. I'll put it to you this way: Right now, as I mentioned, there's about 3 busy times a year that we have when our capacity is pretty filled up. Even during the busy times, there are times of the day when we're not that busy. There are also times of the year where we're not that busy. This is a good example of it right now. So our best guess is right now, theoretically, there's a potential upside, if you filled in those slow times of the year, of maybe another half million people over what we're pulling in right now.

That's part of the Operational Guide that we request, in the Sales Plan section, we ask that you tell us how you would fill out some of those slow times of the year.

Q. Is there a budget for marketing and advertising, Government monies . . . ?

A. No, that would be part of your bid, that's part of your cost.

Q. The 2 [old] ticket booths can be utilized by the PA if they choose to do so?

A. Yes. For the people who haven't been here, there's also quite a number of parking spaces on the Arizona side. I don't know exactly how much traffic there is but a lot of visitation walks past there. Part of our thinking has been if you can disperse ticketing in and around the area, then you would keep down the ticket lines downstairs. Presently, there is no fiber communication in the booths, but we do have an estimate from our in-house communications department that it would be about \$25,000 to bring fiber up to the two booths, and then you could hook that into your network.

Q. Are you currently online with any kind of web site information?

A. Yes, we have a web site location. We currently do not do any commercial operations on the web site. But I can tell you we get a lot of hits.

If you're considering using the Internet to sell tickets and to increase distribution, we'd like to see that in your proposal.

Q. Do you have a certain number of tickets reserved for pre-sold tickets?

A. No, at this time we don't. If you look at your Performance Work Statement, starting at the bottom of page 1-1 and continuing on to page 1-2, you'll notice that we have several goals, and that's to provide an affordable, high quality experience for the visitors, to minimize the time that visitors have to wait in line to purchase their tickets, to increase visitation during slower periods of the day and the year, ticket most passengers arriving via commercial carrier before arrival at the Parking Garage, and to increase the number of reserved, pre-sold tickets. So, while we don't have any dollar percentages, or percentage of visitation associated with that goal, we definitely would like to increase the number of tickets that are sold in advance before the visitors get here.

Q. Are you looking to sell reserved tickets to members of the general public as well as the tour bus companies?

A. Yes, absolutely, that is one of the requirements in here, that those reservations will be available to members of the general public as well as to the commercial companies.

Q. Are you interested in databases and that type of thing for market research?

A. We have a certain amount of market research and operational research that's gone on here at the dam. Anything that sheds light for the person who takes over that would increase the revenue per dollar of expense is certainly worthwhile.

That was something else we talked about, how the Government needs to pull in enough revenue every year to cover the operating expenses, which would include the cost of a contract if a contractor wins this, as well as our employees' salaries, as well as our maintenance expenses, plus we're trying to provide \$5 million in revenues to cover our share of the debt service for this building. So, anything that can be done to increase our revenue is good.

Q. How many tours do you do a day, and how many people can pass through a day?

A. We've done in excess of 4,000 people a day. I think there are some charts in the proposal that will give you some idea of the flows and patterns that you can refer to on that.

We run a regular tour approximately every 10 minutes. We try to run a hard hat tour every half hour to every fifteen minutes, so that's what we're trying to reach. We're not necessarily selling all those tours in the very early morning and very late evening. Those are some areas that we'd like to try and see if we can increase numbers.

Q. Did you want to talk about the potential for expanding the operating hours?

A. Even though the spec says we're on a 10-hour schedule, there are some things we may try, and one of the things I'm going to look at this summer is going to a 12-hour shift in the summertime, from roughly 8:00 a.m. to 8:00 p.m.. We're going to look at things like that, like longer operating hours, to potentially increase visitation.

So although in your proposal you will be proposing a price for the work that's shown here in the book, if we did go to longer operating hours during the term of the contract, there would be a bi-lateral modification to the contract.

And again, the way the contract works is you get paid for the actual number of tickets that are sold, per ticket. So if we are open longer, selling more tickets, then there would automatically be an increase in revenue.

That might be enough to take care of the increased operating hours in itself. The way we have the schedule set up right now, on pages B-2 and B-3, the way we envision this working is that if a contractor does win this, at the beginning of the first year, there would be a transition period after the award of the contract, where the

contractor would be installing their system, hiring personnel. And as an aside, there's a clause in here entitled "Right of First Refusal," where any of the Government employees that are currently in jobs that might be lost, the contractor would have to would have to offer them a job first, if they're qualified, and if the contractor has vacancies. If you don't add staff to do this contract, then that's not a requirement.

For the transition period we require in the solicitation now, when you submit your detailed transition plan with your offer, explain how you would intend to effect a transition from Government service to contractor service. Once we have a date certain that we know that the contractor can start up operations, the Government would issue a Notice to Proceed and say start up operations on that date, and that's when Schedule 1, the Base Year, kicks in. And we would issue a delivery order for a certain amount of tickets to start off with, for example a million tickets to be sold throughout the year. Then the contractor would bill us monthly for the actual number of tickets sold. The cost of your performing the work of selling the tickets, the cost of personnel, equipment, materials for that period, should be included in the unit price you propose in the schedule for the lot of 100 tickets. We have a unit of selling lots of 100 tickets, an estimated quantity of 10,000 lots, that's an estimated million tickets a year. Now, we might sell more tickets than that. The number in the scheduled is an estimated quantity only for bidding purposes, to compare the various offers. We might issue delivery orders for more than a million tickets. If we get down to the end of the base year, only a couple months left to go, and we are approaching a million, then we would issue another delivery order for maybe 100,000 tickets. Then as we get down to the last month, maybe we project we'll need 50,000 more tickets and we would issue a delivery order for that. And again, the contractor would bill us at the end of each month for the actual number of lots of 100 tickets sold. The Government can't pay for services that are not already rendered; we pay for services that have actually been performed. And monthly we will be tracking the contractor's performance based on the Performance Requirements summary table mentioned before, our Quality Assurance Plan, and based on the contractor's performance there might either be incentives if the contractor has performed exceptionally well, or there might be deducts for any areas where satisfactory service has not been performed.

Q. Do you have any problems with a service charge, and does that in any way affect the pricing structure?

A. If you propose charging a service charge, or handling fee, directly to the consumer for pre-sold tickets, that should be included in your proposal. On the one hand we have our current pricing structure in Attachment 4, which talks about what the prices of our tickets are, and then we also show what our current service fee is. That's what we're requiring you to tell us about. Look at the very first item on page E-6 [Note: solicitation provision 2.2(c)(1)], the technical description of your proposed method of providing on-site and reserved tour ticket sales. Part of what your proposal should include is any proposed per-ticket handling fee for reserved tickets. Our

concept here is that a handling fee passed directly to the consumer would be OK, but we need to know what that handling fee is.

Q The service charge wouldn't necessarily be charged here, on-site, but let's say I'm buying a ticket in Denver or Seattle or something like that.

A. Right, and we recognize that there are additional costs involved in a pre-sold ticket. You may have to mail it to them or confirm it, or process the credit card, etc.

Clarification: Another thing I want to point out is on page E-6, the proposed method for ticketing and identifying visitors must allow for easy identification of visitors by tour guides and other Hoover employees, and the PA shall submit a sample, description, or drawing of the proposed proof of purchase. The example could be a ticket, or a wrist band. This is part of our security measures, so we do not have people just wandering around that are not easily identified as either a visitor or an employee or a contractor.

Q. I've looked through the solicitation, and I see that you've quoted a lot of Federal Acquisition Regulations. Does the United States Bureau of Reclamation have its own regulations? By incorporating these are you implying that you intend to use those in administrative approach to the contract?

A. We have tried to use commercial items solicitation clauses which are common in the commercial area. The clauses that are in the solicitation are the clauses that we will be enforcing under the contract.

Q. The United States Bureau of Reclamation doesn't have its own regulations?

A. The Bureau of Reclamation has its own clauses that we can use, and I think we have included some of those but not very many. But only the ones cited in the solicitation are applicable.

Q. If we want those in their full text they're available?

A. Yes. There are some clauses in the solicitation only by reference. For instance, most of those are on pages C-8 and C-9 [Note: Contract Clause section 3, 52.212-5.] There's a list of clauses that we just have in here by title. There is full text that goes along with those and we can provide the full text of those clauses upon request. The ones that are marked with an "X" on those pages are the ones that we consider to be applicable to this solicitation.

In particular, I might point out that the Service Contract Act is one of those clauses that's applicable to this solicitation. On any Federal service contract, you're required to adhere to the Service Contract Act, which requires a contractor to pay a minimum wage to their employees, and that wage is defined in the wage determination that we've included as Attachment 2. This wage determination lists several classifications of Service Contract Act employees and shows the minimum hourly wage which they shall be paid. In this particular contract, what might apply for instance is a cashier, who would be paid a minimum of \$9.94 base rate and then there's a minimum health and welfare benefit of \$1.39 per hour that they must be paid. So that would apply to

employees on-site. Now for employees that are working at your home offices and at the managerial level, the wage rate does not apply to them, or to owners of businesses and executives.

Clarification: Somewhat related to that, the union at Hoover Dam does have the right to come up and organize the employees who might be working on the contract.

Q. I assume that's in accordance with the rules and regulations of the National Labor Relations Board? They don't have any more authority here than they would anywhere else?

A. Right.

Q. There's a substantial contractor investment before payment. You indicate that the Contracting Officer has full discretion for the first 30 days, deciding whether to continue or not. Obviously at that juncture, a contractor has already invested a substantial amount of money. Is the 30-day transition the same 30 days during which you intend to analyze continuing, and if so, what criteria are you going to use to analyze that performance? And finally, how does that relate to FAR Part 17.202, dealing with contractor's undue risk?

A. Those are good questions. At this time, proposals are due on December 4th [Note: proposal due date extended to December 9th by Amendment No. 001]. We'll receive them on that date and we'll have put together a team that will evaluate the proposals, and make a decision as to whether Government or contractor performance is considered more economical. If we decide that contractor performance appears more economical, then we will make an award of the contract at that time, but the contractor should not start any work or incur any costs under the contract at that time. The contract performance period does not begin at that time. We [the Government] will make an award and we will publicize that in the Commerce Business Daily for 30 days for public comment. At that time the transition period has not started, and there should be no incurrence of contractor costs during that period of time.

During the 30-day public review notice, we will evaluate public comments. Thirty days after the notice is published, and depending upon the comments received, we will make our final decision as to whether to proceed with the contract. If the decision is made to go with contracting out the work, we will issue a Notice to Proceed, and this will be when the contractor would proceed with the performance of the contract work itself; that would be the start of the transition period. Prior to this Notice to Proceed, the contractor won't be expected to, and should not, do any work.

Part of the cost comparison process is that any adversely affected Government employees, if the contract is tentatively awarded to a contractor, have that 30-day period to make a protest. And then if they protest then there is another 30 days for a Government official to make a determination whether it is a valid protest or not.

[Note: The following questions and answers refer to solicitation subsection 3 entitled, "Blocks 19 through 24: Schedule of Services and Prices/Costs" in the section entitled, "Continuation of Blocks from SF 1449."]

Q. If I could refer you to pages B-2 and B-3, I follow you all the way through to where you've listed 10,000 lots as the quantity of tickets that are concerned. For example, you have an item 4-01, on-site reserved tickets, 10,000; that's the quantity. A "lot of tickets" is 100, so evidently that's the unit?

A. Right.

Q. And then the unit price would be the price per 100 tickets. Could you explain how you want me to extend that under the amount column? What would you have me multiply that by?

A. Multiply your proposed Unit Price in column 23 by the Quantity in column 21. The product of the Unit Price multiplied by Quantity will give you the amount you should enter in column 24.

ATTENDEES

[illegible]